

CITY OF SAN DIEGO
M E M O R A N D U M

DATE: March 2, 2006

TO: Natural Resources & Culture Committee, Agenda for March 8, 2006

FROM: Charles Yackly, Acting Water Department Director

SUBJECT: Water Department Item for Approval

First Amendment to Agreement with Malcolm Pirnie, Inc for Consulting Services related to the Upgrade and Expansion of the Alvarado Water Treatment Plant.

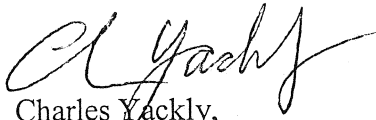
The City entered into an Agreement (R-296348) with Malcolm Pirnie, Inc. (MPI) on April 15, 2002, in the amount of \$7,664,537, to provide construction support services on the Earl Thomas Reservoir replacement project CIP 73-261.4 and design and construction support services on the Alvarado Water Treatment Plant Upgrade Phase II (CIP 73-261.3).

The budget for the current MPI Agreement will be exhausted prior to completing construction of Phase II. This was a direct result of the Alvarado Water Treatment Plant Phase I construction contractor, Nielsen Dillingham Builders, filed for bankruptcy during Phase I construction, and MPI had to engage in additional design work. Furthermore, Phase II construction bids came in higher than the engineer's estimate due to rising prices of steel, and thus led to additional work required of MPI.

The remaining upgrade work for the Alvarado Water Treatment Plant mainly Phase III (for the rehabilitation of the basins) and Phase IV (Ozone facilities) were essentially complete in 2003 and had been halted due to the lack of financing. The ozone facilities are part of the Department of Health Services Compliance Order which requires construction to start no later than February 8, 2008 and be operational no later than November 30, 2009. EPA regulations also require the City to change the primary disinfection process from chlorine to ozone by 2011.

In order to meet these regulatory requirements on time, MPI needs to update the design for the current manufacturer equipment and products, and make the necessary revisions to the design due to Building Code and specification changes since the design was stopped. It has been determined that this redesign work must begin no later than May, 2006 under an aggressive schedule in order to provide adequate time for construction. Failure to restart at this time will likely result in excessively high bids due to the constrained time requirements or miss the compliance order milestone dates.

This amendment to MPI's agreement will extend the Agreement for three years and provide phased funding for completion of Phase II construction support services and phase IV design services for the ozone facility at the Alvarado Water Treatment Plant. The additional funds needed for Phase II construction support services is \$99,887, and \$1,200,113 for design services of Phase IV, the Ozone Facility. The total contract amendment value is \$1,300,000. \$700,000 in excess funds are available in the recently completed Earl Thomas Reservoir at the Alvarado Water Treatment Plant, and \$99,887 is available in Alvarado Water Treatment Plant Upgrade and Expansion Phase II. The remaining \$500,113 in funds will be phase funded and contingent on the adoption of the FY07 budget.



Charles Yackly,
Acting Water Department Director
